

BEFORE THE STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

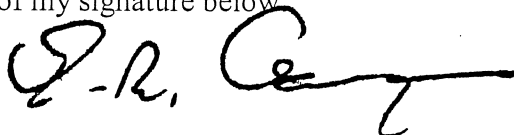
In the Matter of:)	
)	
Casualty Reciprocal Exchange)	Order of Suspension
)	of Certificate of Authority
9201 State Line Road)	
Kansas City, Missouri 64114-3298.)	
_____)	

This matter comes before me pursuant to the recommendation of the Division of Financial Services of this Department. The September 30, 2002 Quarterly Statement of Casualty Reciprocal Exchange, an insurer domiciled within the State of Missouri, shows that its total capital and surplus has decreased from \$23,147,410 as of December 31, 2001 to <\$2,922,375> as of September 30, 2002.

S.C. Code Ann. Section 38-5-120(A) (1976, as amended) requires "(t)he director or his designee of the State of South Carolina Department of Insurance shall revoke or suspend certificates of authority granted to an insurer and its officers and agents if he is of the opinion upon examination or other evidence that "(t)he insurer is in an unsound condition" or "(t)he insurer's condition renders its proceedings hazardous to the public or to its policyholders." S.C. Code Ann. Section 38-5-120(B) (1976, as amended) goes on to require that "(n)o new business may then be done by the insurer or its agents in this State while the default or disability continues nor until its authority to transact business is restored by the director or his designee."

It is, therefore, ordered that the Certificate of Authority of Casualty Reciprocal Exchange to transact insurance business within the State of South Carolina should be, and is hereby, suspended. No new business may be transacted by Casualty Reciprocal Exchange within this State unless, and until, the Certificate of Authority of Casualty Reciprocal Exchange is restored. A copy of this Order of Suspension must be transmitted by the Department of Insurance to the National Association of Insurance Commissioners for its distribution to its member states, and it must be published in newspapers of general, Statewide circulation. Further, all licensed State of South Carolina resident and non-resident insurance agents of Casualty Reciprocal Exchange must be given notice by the Department of Insurance, by regular mail, of this Order, and no new licenses or appointments may be issued by the Department to agents of Casualty Reciprocal Exchange.

This order becomes effective upon the date of my signature below.



Ernst N. Csiszar
Director

June 20, 2003 at
Columbia, South Carolina.